

Message Text

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45

ACTION XMB-07

INFO OCT-01 ARA-16 ISO-00 EB-11 COME-00 TRSE-00 MC-02

CIAE-00 INR-10 NSAE-00 RSC-01 L-03 DRC-01 /052 W

----- 021366

R 071415Z MAR 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 9149

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EO 11652: N/A

TAGS: BPRO, PE

SUBJ: EXIMBANK CREDIT FOR AIRCRAFT PURCHASE

1. AS DEPARTMENT MAY BE AWARE, AEROPERU HAS REACHED AGREEEMENT IN PRINCIPLE WITH EASTERN AIRLINES FOR PURCHASE OF ONE USED BOEING 727 AIRCRAFT AT COST OF APPROXIMATELY \$4 MILLION. FINANCING IS TO BE ARRANGED THROUGH FNCB. FNCB IN TURN HAS APPROACHED EXIMBANK FOR PRODUCT FINANCING, WHICH FNCB MANAGER HAS EXPLAINED TO EMBASSY WOULD AMOUNT TO 45 PERCENT OF COST. FNCB WOULD FINANCE REMAINING 55 PERCENT, INCLUDING 10 PERCENT DOWN PAYMENT. LOAN WOULD BE MADE TO COFIDE (THE PERUVIAN GOVERNMENT DEVELOPMENT FINANCING INSTITUTION) ON BEHALF OF AEROPERU.

2. LOCAL FNCB MANAGER HAS INFORMED US THAT HE SPOKE YESTERDAY (MARCH 5) BY TELEPHONE TO EXIMBANK (EARL YOUNG, VP FOR PRODUCT FINANCING) AND WAS TOLD EXIM WAS TENDING TO FAVOR ONLY EXPORT CREDIT GUARANTEE. FNCB MANAGER EXPRESSED DISSAPPOINTMENT AND ARGUED FOR EXPORT PRODUCT FINANCING AS OUTLINED ABOVE.

3. EMBASSY WISHES STRONGLY TO SUPPORT EXIMBANK EXPORT PRODUCT FINANCING FOR FOLLOWING REASONS: (1) IT WOULD BE CONSISTENT WITH SPIRIT OF NEW RELATIONSHIP RESULTING FROM RESOLUTION OF U.S. PERU INVESTMENT DISPUTES. CON-VERSELY, APPROVAL OF EXPORT CREDIT GUARANTEE WOULD RE-

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PRESENT NO CHANGE AND NO IMPROVEMENT IN TREATMENT PERU

HAS RECEIVED FOR PAST SEVERAL YEARS. (2) CONFIDE CREDIT
RATING AS GOP AGENCY IS, OF COURSE , EXCELLENT. LOAN
WOULD CONSITITUTE LOW RISK SUPPORT FOR U.S. EXPORT EFFORT,
PARTICULARLY SINCE AEROPERU WILL NO DOUBT BE IN MARKET
FOR ADDITIONAL AIRCRAFT AT LATER DATE. (3) APPROVAL
WOULD TEND TO STRENGTHEN POSITION OF FNCB WITH GOP. (FYI ONLY
WE UNDERSTAND GOP WAS ANNOYED THAT FNCB DID NOT
PARTICIPATE IN RECENT \$80 MILLION LOAN CONSORTIUM ARRANGED
BY MORGAN GUARANTEE. END FYI)
BELCHER

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Message Attributes

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Draft Date: 07 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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30 JUN 2005

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